



23rd May, 2017

NOTICE

Amendment to the Corporate Service Provider Business Act 2012

The Bermuda Monetary Authority (“the Authority”) proposes to amend Section 10(5)(b) of the Corporate Service Provider Business Act 2012 (the “CSP Act”) to clarify the Authority’s intent regarding what constitutes a limited licence under the CSP Act.

The provision currently states that corporate service providers (“CSPs”) who apply for a limited licence can perform such activities as contained in Section 2(2) of the CSP Act except those activities as stated in Sections 2(2)(a) and 2(2)(c)(vii):

- a) Section 2(2)(a) - acting as a company formation agent, or agent for the establishment of a partnership;
- b) Section 2(2)(c)(vii) - keeping or making any necessary alteration in the register of members of a company in accordance with section 65 of the Companies Act 1981;

Upon further review of this provision, the Authority wishes to clarify that the intent was for CSPs to be able to perform the activities in the stated sections subject to the Authority’s prior approval, except where such approvals are not required by law. Therefore, the limited licence will allow CSPs to perform all the corporate services contained in Section 2(2) and require prior approval from the Authority to perform those services contained in Sections 2(2)(a) and 2(2)(c)(vii), except where such approval is not expressly required by law. This amendment reflects the current regulatory approach for this sector.

If you have any questions or require clarity regarding the amendment to the CSP Act, please contact Shauna MacKenzie, Director Policy, Legal and Enforcement (csp@bma.bm) by **31st May, 2017**.

**See below for Corporate Service Provider Business Amendment Act 2017*

April 18, 2017

BERMUDA

CORPORATE SERVICE PROVIDER BUSINESS AMENDMENT ACT 2017

BR / 2017

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WHEREAS it is expedient to amend the Corporate Service Provider Business Act 2012 to make new provision for regulating corporate service provider business by the implementation of classes of licenses and for purposes connected with and incidental to those matters:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Corporate Service Provider Business Act 2012 (the "principal Act"), may be cited as the Corporate Service Provider Business Amendment Act 2017.

Amends section 10

2 Section 10 (5) (b) of the principal Act is amended by deleting the words, "excluding the corporate services under sections 2 (2) (a) and 2 (2) (c) (vii)" and inserting the words, "; however in relation to the corporate services to be provided under sections 2 (2) (a) and 2 (2) (c) (vii), the permission of the Authority shall be required, to form a company or a partnership or at the time of making any alteration to a register of members by way of transfer or issue of shares or interests, unless expressly not required by law."

Commencement

3 This Act shall come into operation on such day as the Minister may appoint by notice published in the Gazette and the Minister may appoint different days for different provisions.

CORPORATE SERVICE PROVIDER BUSINESS AMENDMENT ACT 2017

EXPLANATORY MEMORANDUM

This Bill makes provision for regulating the business of corporate service providers and for the protecting of the interests of clients or potential clients of persons carrying on the business of corporate service provider.

Clause 1 provides for a citation of the Bill.

Clause 2 proposes to provide clarity in relation to the manner in which the services are allowed to be provided by a limited licensee. Prior to providing the corporate service provider businesses set out under sections 2 (2) (a) and 2 (2) (c) (vii) of the Act, a limited licensee must obtain the prior consent of the Authority.

Clause 3 makes provision for the commencement of the provisions of the Bill.